

BUDGET LETTER

NUMBER:	01-42
DATE ISSUED:	November 7, 2001
SUPERSEDES:	

SUBJECT:	ATTORNEY RATE INCREASES FOR CLIENT DEPARTMENTS
REFERENCES:	BUDGET LETTER 01-11

TO: Agency Secretaries
Department Directors
Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

This Budget Letter addresses the 2001-02 and 2002-03 cost of increasing the State attorney service rates for services provided to State departments and agencies by the Department of Justice.

A. Background

Standard Attorney General Legal Services Rates

Government Code 11044 authorizes the Attorney General to charge an amount sufficient to recover the costs incurred in providing legal services to State agencies. Effective July 1, 2001, the Attorney General has increased the rate to \$112 per hour for standard attorney services and maintains the current rate of \$53 per hour for paralegals. Departments receiving services from the Department of Justice (DOJ) under a memorandum of understanding are subject to these rates. Such departments are generally funded through special fund or non-governmental cost fund appropriations rather than from the General Fund.

Total Quality Assurance Attorney Rates

Departments receiving legal services from the DOJ's Los Angeles office, and those receiving services (statewide) from the Natural Resources Section of the Public Rights Division will be charged an hourly attorney rate of \$120. This rate reflects a higher level of service being provided by DOJ through its Total Quality Assurance Program (TQA). This program offers clients improved quality of service through increased supervision and oversight. Affected departments will be required to determine the level of attorney services being provided specifically by the Los Angeles region or by the Natural Resources Section.

2001-02 Augmentations

In order to provide departments with additional expenditure authority in the current year for DOJ attorney services costs, a new Budget Act item (Org. 9913) has been included in the 2001 Budget Act. This new item authorized the allocation of approved requests for additional funding for attorney services for departments whose legal costs are supported by special and non-governmental cost funds.

B. Instructions

Attachment I reflects attorney hours projected by DOJ for 2001-02 and 2002-03. These hours are DOJ's estimate for all billable hours, regardless of fund source. Using the projected hours, departments need to determine the level of billable hours that are funded from special funds, non-governmental cost funds, federal funds, or reimbursements. Federal funds and reimbursements are not eligible to receive an allocation from Item 9913, but any increase in expenditure authority for those funding sources can be addressed through the authority in Section 28.00 or Section 28.50 of the Budget Act. For any billable hours that are funded from the General Fund, departments will not be eligible to receive an allocation from Item 9913.

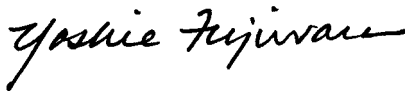
Attachment II provides departments with a worksheet to calculate the total costs associated with the attorney rate increases and is to be filled out by departments. An Executive Order will be prepared for the current year adjustments. Adjustments for both fiscal years are to be reflected in all budget documents (i.e., budget galley, Schedule 10s, Planning Estimate worksheets, and Supplementary Schedules). The adjustments will be reflected as baseline adjustments on Line 0700 in the Planning Estimates for both years. Should departments submit a funding amount in Attachment II that is based on a greater amount of hours than reflected in Attachment I, departments must provide their Department of Finance (Finance) Budget Analyst with both supporting documentation and an explanation justifying the higher request.

Attachment III provides an example to illustrate how departments are to post these allocations to their current year Schedule 10s.

C. Due Date

Departments are required to return all attorney rate worksheets to their respective Finance Budget Analyst as soon as possible but **no later than Wednesday, November 21, 2001.**

Any questions regarding provisions of, or attachments to, this Budget Letter should be directed to either your Finance Budget Analyst or Todd Jerue, Principal Program Budget Analyst, at (916) 445-8913.



Yoshie Fujiwara
Program Budget Manager

Attachments

Upcoming Budget Letters

- Payment of Government Claims, Department of Justice Settlements and Judgments
- Hiring Freeze
- Employee Compensation Adjustments

Billable Attorney Hours Projected by the Department of Justice For all Funds

Org	Department	Regular Attorney Hours	TQA Hours
0250	Judiciary	6,470	240
0520	Secretary for Business, Transportation, and Housing	260	11
0552	Office of the Inspector General	300	12
0555	Secretary for Environmental Protection	200	9
0690	Office of Emergency Services	100	4
0840	State Controller	1,600	69
0845	Department of Insurance	13,196	130
0850	California State Lottery Commission	1,777	61
0860	Board of Equalization	3,060	65
0890	Secretary of State	10	0
0950	State Treasurer	662	0
0974	Pollution Control Financing Authority of California	508	0
0985	California School Finance Authority	53	0
1100	California Science Center	800	35
1110	Department of Consumer Affairs	159,353	6,378
1111	Department of Consumer Affairs, Bureau of Auto Repair	9,603	697
1730	Franchise Tax Board	1,570	66
1760	Department of General Services	11,953	538
1880	State Personnel Board	100	4
1900	Public Employees' Retirement System	2,313	88
1920	State Teachers' Retirement System	1,857	79
2100	Department of Alcohol Beverage Control	2,535	112
2150	Department of Financial Institutions	419	1
2180	Department of Corporations	1	0
2240	Department of Housing and Community Development	1	0
2260	California Housing Finance Agency	787	14
2310	Office of Real Estate Appraisers	202	14
2320	Department of Real Estate	3,840	0
2660	Department of Transportation	4,190	178
2665	High-Speed Rail Authority	300	0
2720	Department of the California Highway Patrol	32,590	2,541
2740	Department of Motor Vehicles	29,699	1,472
2920	Technology, Trade, and Commerce Agency	450	9
3340	California Conservation Corps	150	7
3360	Energy Resource Conservation and Development Commission	1,447	54
3480	Department of Conservation	2,376	64
3540	Department of Forestry & Fire Protection	1,613	70
3600	Department of Fish and Game	11,727	831
3680	Department of Boating and Waterways	725	66

Billable Attorney Hours Projected by the Department of Justice For all Funds

Org	Department	Regular Attorney Hours	TQA Hours
3720	California Coastal Commission	1,729	0
3790	Department of Parks and Recreation	2,274	114
3860	Department of Water Resources	6,699	267
3870	CALFED Bay Delta Program	7,785	0
3900	Air Resources Board	5,782	220
3910	Integrated Waste Management Board	3,100	299
3930	Department of Pesticide Regulation	502	62
3960	Department of Toxic Substance Control	731	33
4120	Emergency Medical Services Authority	194	10
4140	Office of Statewide Health Planning and Development	531	13
4170	Department of Aging	47	2
4200	Department of Alcohol and Drug Programs	133	6
4250	Children and Families First Commission	690	20
4260	Department of Health Services	48,245	2,383
4300	Department of Developmental Services	6,097	260
4440	Department of Mental Health	3,400	147
5100	Department of Employment Development	8,075	343
5160	Department of Rehabilitation	2,350	125
5175	Department of Child Support Services	5,187	261
5180	Department of Social Services	13,727	597
5240	Department of Corrections	33,610	1,394
5440	Board of Prison Terms	200	9
5460	Department of the Youth Authority	5,189	227
5480	Commission on Correctional Peace Officer Standards and Training	500	22
6110	Department of Education	780	29
6360	Commission on Teacher Credentialing	5,018	252
6610	California State University	14,836	772
6870	Board of Governors of the CA Community Colleges	150	7
7980	California Student Aid Commission	306	15
8100	Office of Criminal Justice Planning	1,729	0
8120	Peace Officers Standards and Training Commission	76	4
8350	Department of Industrial Relations	1,410	22
8510	Osteopathic Medical Board of California	1,484	0
8550	California Horse Racing Board	3,602	139
8570	Department of Food and Agriculture	4,972	318
8660	Public Utilities Commission	1,122	55
8690	Seismic Safety Commission	100	4
8700	Victim Compensation and Government Claims Board	443	21
8885	Commission on State Mandates	109	4
8910	Office of Administrative Law	118	2
8940	Military Department	700	30
8950	Department of Veterans Affairs	295	2

**ITEM 9913 ADJUSTMENTS
TREATMENT OF BUDGET DOCUMENTS**

1. Schedule 10s

An Executive Order will be processed to adjust departmental 2001-02 appropriations due to the increase in attorney rates. The current year (2001-02) Schedule 10s must also reflect an adjustment for the attorney rate increase.

Example:

Allocation for Department of Justice Attorney Rates

Program A	XXX
Program B	XXX
Distributed	<u>-XX</u>
--- Total ---	XXX